

The departmental budget review reconvened at 11:05 a.m., and proceeded as follows:

(Mr. Bynum was noted excused.)

CLERK:

Mr. Kaneshiro: Budget review session is now called back to order. We will go to the next Department, with that Mr. County Clerk Peter Nakamura, you have the floor.

PETER A. NAKAMURA (COUNTY CLERK): Good morning Budget Chair, good morning Council Chair and members of the Budget and Finance Committee. I provided a brief overview of the Fiscal Year 2010-2011 budget for the Office of the County Clerk. And I'll just go through it briefly. Overall for the fiscal year 2010-2011 the operating budget of the Office of the County Clerk represents a de minimus point zero five (0.05%) decrease which approximates out to about two thousand and ten dollars (-\$2,010) over the previous Fiscal Year operating budget. However, it must be noted that this decrease is largely due to two (2) major factors:

1. We have incorporated the overall nine point three (9.3) decrease in across-the-board salaries as a result of inclusion of two (2) furlough days a month equivalent to one hundred sixty-eight thousand four hundred and twenty dollars (\$168,420) salary cost reductions, this equates to a hundred forty-eight thousand nine hundred ninety dollars (\$148,990) reduction for the Council Services Office and nineteen thousand four hundred thirty dollars (\$19,430) for the Elections Office. And I create a small chart that shows the amounts.
2. The second factor is we're looking at the non-recurrence of the one-time cost associated with relocation of the Council and Council Services operations to current interim facilities. We just wanted to add a caveat at this point is as we're still moving towards becoming fully-operational, we anticipate additional costs could be realized which may impact the office's Fiscal Year 2010-2011 operating budget in terms of more costs.

As far as Council Services the Council Services Fiscal Year 2010-2011 operating budget reflects a four point one percent (4.1%) decrease of approximately one hundred twenty-five thousand five hundred and nineteen dollars (-\$125,519) over FY 2009-2010 Operating Budget. As stated earlier, this decrease included the proposed two (2) days furlough a month cost reductions. Other decreases were offset by increases in the interim building lease and other fixed costs.

For the Elections Division in light of the upcoming 2010 Elections, the Elections Division Fiscal Year 2010-2011 operating budget has experienced anticipated biennial budgetary increase of eighteen percent (18%) or one hundred twenty-two thousand five hundred and nine dollars (\$122,509) in spite of the inclusion of cost reductions associated with the proposed two (2) furlough days a month. This is due in large part to two (2) factors:

1. Hiring of six (6) seasonal Temporary Election Clerks (TECs) for varying employment periods of between six (6) month (2TECs), three (3) months (1TEC), and one (1) month (2TECs).
2. Increase in normal election year operational and supplies costs such as: printing; mailing (+\$11,000-bulk & reply mailing; +\$9,000-absentee mail costs).

One State legislative matter that may an impact on our election expenses is the status of HB2397 SD1, which proposes to move the date of the primary election to the second Saturday of August and requires nomination papers to be filed not later than 4:30 p.m. on the first Tuesday in June (effective January 1, 2050). This bill is currently being scheduled for conference committee. If this bill is enacted, we are discussing the possibility of hiring TECs budgeted for Fiscal Year 2010-2011 earlier in order to effectively implement election deadlines which be moved up as a result of this legislation.

That's about it Budget Chair are there any questions?

Mr. Kaneshiro: Okay. Briefly than you know because of the Election Year you see the budgetary increase of eighteen percent (18%) but the main factor because this is an Election Year, so this is not a recurring thing every year, just for Committee members, I think we all understand that. Okay let's see I'll go ahead and open this up for questions by Committee members. Okay go ahead Jay.

Mr. Furfaro: So Mr. Nakamura, I see we've identified all of our positions and identified a potential of one hundred forty-eight, nine, nine, zero (148,990) for the furlough discussion, am I correct?

Mr. Nakamura: That is correct Vice Chair and that includes... in this first round in the budget we incorporated the Administration's proposal which includes elected Councilmembers as well as appointed, contract and Civil Service employees.

Mr. Furfaro: So non-Civil Service, appointed Administrative people are all part of that.

Mr. Nakamura: Yes.

Mr. Furfaro: Okay. On page two (2) and I think Mr. Kaneshiro said it best here, with the temporary hires during the Election Session, can you... is that why this line you know we're trending to end the employee benefits at about a hundred and eighty-two thousand (182,000) based on nine (9) months at a hundred and thirty-seven (137) but we seemed to have a bigger number in there then we're trending, is some of that related to the temporary hires for election?

Mr. Nakamura: I'm sorry budget Chair if you could?

Mr. Furfaro: The line item I'm looking at is zero, five dash ten (05-10), I'm sorry zero, five dash twelve (05-12) other post employ benefit?

Mr. Nakamura: Oh other post employ benefits.

Mr. Furfaro: It seems a little then it should be.

Ms. Kawahara: Which page is that Jay?

Mr. Furfaro: I'm on page...

Mr. Nakamura: You're on page fourteen (14)... oh

Mr. Furfaro: Page twelve (12).

Mr. Nakamura: I'm sorry page twelve (12).

Mr. Furfaro: I think we need to look at that number Mr. Chair and if we can send that over as a question.

Mr. Kaneshiro: Okay.

Mr. Furfaro: I'm sure it might be related to the...

Mr. Nakamura: To the temporary elections.

Mr. Furfaro: Temporary hires for elections but...

Mr. Kaneshiro: Alright.

Mr. Furfaro: I would like us to take a look at that.

Mr. Nakamura: Just for your information Budget Chair and Vice Chair one of the things... one of the cost that for that impacted us in this Fiscal Year which we did not anticipate is the increase... the trend in the Unemployment Benefits, I think what had happen was with the Federal Stimulus at the Federal level what they did was they extended the period that a person could collect unemployment benefits based on the unemployment rate within the State so what happen was when we had budgeted, it was prior to that legislative coming into effect and I'm not quite sure, I'd have to check to see what it is for Hawai'i but I believe it's now extended to about ninety-nine (99) months if you're above nine point five percent (9.5%) unemployment so what happen is as a result of that we were carrying some liability from the previous election and with the Federal legislative to extend that period we anticipated no we were hit with unanticipated increases in the unemployment benefits.

Mr. Furfaro: The next thing I want to ask is, is the Council's airfare down from previous... yes it is.

Mr. Nakamura: Yes. We've... in terms of for the Council, Council Services budget we dropped airfare, per diem and the like. I think one of the things we tried to do is go through the budget and follow as a guideline the Administration's policy of reducing budget by approximately five percent (5%) but in our case because of the election cost and some of the cost associated with relocation, that we're still kind of not real out of the woods yet, there are offsets to that so we couldn't achieve that percent increase with the incorporation of the... with incorporation of the two (2) days a month furlough though, we did hit about a four point one, six percent (4.16%) decrease in just the Council Services side budget but again like you stated Vice Chair it was offset by the eighteen percent (18%) increase in the Election Division budget.

Mr. Furfaro: And I see yet for discussion there has... we haven't yet touched on any other allowances for Councilmembers?

Mr. Nakamura: No. That was not part of the budget.

Mr. Furfaro: (inaudible) discussion.

Mr. Nakamura: No.

Mr. Furfaro: Committee Chair, I'm fine.

Mr. Kaneshiro: Okay. Any other Committee members have questions for our County Clerk? Okay. We can follow up with questions if we do and I want to note that Tim Bynum is excused at this time so he might have some questions.

Mr. Nakamura: Thank you Budget Chair.

Mr. Kaneshiro: Thank you very much. At this time we'll take a five (5) minute recess and get ready for the next Department, are they ready to go?

The Clerk's Office departmental budget review concluded at 11:15 a.m., and there being no objections, the meeting was in recess.